

Trusts Killed Housing Bills, Says Undermyer

Lawyer Assests That Insurance Companies Used Official Tools to Destroy Effectiveness of Measures

Sees Only One Good Law

Legislative Leaders and Others Denounced as Betrayers of People in Need

In surveying the havoc wrought by the Legislature on the various bills proposed for the relief of the housing situation, Samuel Undermyer, chief counsel to the committee, characterized the result yesterday as a "crushing defeat" for all but a few of the remedial measures.

The entire body of legislative legislation, he said, and the legislative administration, in the proposed state trade commission bill, have been "smashed into smithereens," leaving the people of the state, as never before, at the mercy of the profiteers and the most powerful and corrupt insurance combination conceivable which has been for years literally robbing the public, backed by a vast lobby that stops a measure.

The people may as well know that they have been betrayed, says the counsel, by the "traitors" of Jesse S. Phillips, former State Superintendent of Insurance, and the "treachery" of the incumbent, Superintendent Stoddard, for the insertion of "jokers" in the insurance measure, which almost make them useless. Mr. Stoddard, he declares, had agreed to the removal of these jokers, but at the eleventh hour had them reinserted.

But, adds Mr. Undermyer, Mr. Phillips made the move to any other lobbyist that he owes the emancipation and defeat of almost the entire insurance legislative program.

The superintendents of insurance, he emphasized, are men "supposed to be" insurance companies and register their bill as "rubber stamps." The defeat of the bill requiring the fire and casualty companies to dispose of their speculative stocks within five years, says Mr. Undermyer, now permits these companies to "continue their wild speculation with the hundreds of millions of dollars of money that the officials are supposed to hold in trust for the policyholders."

Puts McWhinney on Spill
Mr. Undermyer scores Assemblyman Thomas A. McWhinney, vice chairman of the Lockwood committee, for his "incredible action" and the large part he played in the defeat of the State Trade Commission bill. Mr. McWhinney was in charge of the committee's legislation in the Assembly.

"This is not the first time that the committee has had its troubles with the gentleman. It may be some satisfaction to him and to any one else who is a lobbyist that he owes the emancipation and defeat of almost the entire insurance legislative program."

There were intimations, however, that he was not through with the struggle for the passage of the remedial measures. "The fight is far from over," he insisted. "It has just begun. The Metropolitan bill is not going to rid us of this network of criminal combinations that are infesting the state and country in every line of industry and that stand as an impassable barrier against the reduction in the cost of living."

Mr. Undermyer said he was not prepared to say just now what he would personally do in view of the impasse that now confronts the committee. "There are many of these combinations that should be prosecuted and suppressed," he added, and others should be exposed, but what justification was there for expending the time and money for their exposure, he asked, when the courts will not punish the offenders and the Legislature refuses the remedial relief that would make their exposure effective?

Referring to the defeat of the state trade commission bill, Mr. Undermyer said: "No more important legislation than this has ever been offered in my time, and none that has been treated with more arrogant contempt and disregard for the rights of the people than this bill has received at the hands of the autocratic Speaker of the Assembly, who comes from a farming district and who apparently does not give a rap for the suffering of the people who are compelled to live in the cities under the present intolerable conditions under which the price of almost every article of food and clothing that they buy is the subject of artificial exploitation and combination."

Jokers in Insurance Bills
With respect to the insurance bills, the counsel said:

"The next important insurance bill, giving to the superintendent the right of supervision over the rates that these companies have been making in combination and that the policyholders have been compelled to pay without redress, and more particularly that part of the bill giving the right to the insured to review the reasonableness of these rates by the court, was again so emasculated at the eleventh hour that it might almost as well not have been passed."

"The same destructive 'jokers' that were found in the bill and extracted from it by me on Wednesday were put back into it in the Assembly at the eleventh hour through the trickery of Mr. Phillips and the treachery of Mr. Stoddard, the present Superintendent of Insurance, and their lobby aids ably assisted by the Speaker of the Assembly."

"I attach no special importance to the right of supervision by the Superintendent of Insurance, for those men apparently will never be anything but 'rubber stamps' to register the 'wills' of the companies. The remedy given to the courts to review these rates as fixed by the companies acting as they like in combination and for a judicial review of the action of the Superintendent is, however, of supreme importance. It is upon that right of review that reliance was placed for the public protection. As the bill stood when I left Albany on Friday night this power of review was given without qualification whenever any risk or class of risks was found by the court to be excessive or unreasonable."

"The clauses now put back were taken out of the bill without dis-

presence of his chief assistant and others.

"These two 'jokers' that are destructive of any real relief have been put back into the bill. With them in it it might as well not have been passed."

"Both of these 'jokers' virtually take away all discretionary powers from the court. One absolutely requires the superintendent and the court in reviewing the reasonableness of a rate to base it upon the experience of five years, when, in fact, there may be no such evidence or experience available. The other again absolutely requires the superintendent and the courts to take into account the conflagration hazards not only in this state, but in other states, which is an other impossible requirement and is most unjust to the insurers in this state."

High Krupp Official May Be Envoy Here

WASHINGTON, March 18.—Although no official information could be obtained from the State Department today, it became known that the name of Dr. Otto Ludwig Wiedfeldt, one of the high officials in the Krupp's organization, has been submitted by the German government to the United States to determine his acceptability as an ambassador from Berlin in Washington.

Press reports from Berlin for some time had indicated that Dr. Wiedfeldt would be the choice of the German government for ambassador.

Great difficulty has been experienced in obtaining a man of sufficient private means to represent Berlin in America without undue cost to the German government. It was estimated several weeks ago that the expense of maintaining a suitable embassy in Washington would amount to approximately 100,000,000 marks a year, with the present unfavorable rate of exchange against Germany, and the problem of finding a man who could pay a large share of that cost from his own wealth delayed selection of an ambassador, according to Berlin dispatches.

Dr. Wiedfeldt has been managing director of the Krupp works at Essen, the works of the wealthiest Germans of the present day.

Only Two of Women's Bills Pass at Albany

Measure Providing Place in County Politics and Maternity and Infant Hygiene Legislation Survive

Federal Aid Is Defeated

Davenport Law Establishes \$160,000 Fund for Community Health Work

Two bills of special interest to women stand to the credit of the legislative session just ended. The first is the Livermore bill doubling the number of county chairmen in the political parties so that one woman and one man may hold office. The second is the Davenport bill for maternity and infant hygiene. All other women's bills were lost.

The Davenport bill will give the entire state the advantage of baby saving efforts such as have been successful for many years in New York City under Dr. S. Josephine Baker and the Child Welfare Bureau of the Department of Health. It provides \$160,000 to establish baby saving clinics and public health nurses under the direction of the State Board of Health. Twenty-one counties update have never had any public health nurse or any community service for mothers and babies.

Triumph for Miller
The passage of the Davenport bill is a triumph for Governor Miller as against the organized groups of women voters in the state under Mrs. Frank A. Vanderlip. The women were supporting the Duell bill, which was an amendment for New York State the pro-

visions of the Federal Sheppard-Towner act, and the Federal act. The opposition on the part of the Governor to this bill was based on its alleged infringement of state rights, and at his request Senator Davenport introduced the bill, which would establish the same public health service entirely under the jurisdiction of the state at a cost of \$100,000.

The Federal bill offered financial assistance to the state to the extent of \$85,000, which would have made available a fund of \$185,000 for the work. Two days ago Senator Davenport's bill was amended so as to increase its appropriation to \$160,000. When this was done the women withdrew their opposition and telegraphed to their supporters in the Legislature to vote for the Davenport bill.

Organization Continued
"We shall continue our organization and its work in behalf of the Sheppard-Towner bill," said Mrs. Willis G. Mitchell, vice chairman of the United Organizations, yesterday. "The Davenport bill provides money for the work for one year only, while the Federal bill would provide for five years. We believe that New York State should avail itself of Federal aid in this work, and that if we should get Federal money to add to the \$160,000 of the Davenport bill, it would still be none too much."

The Legislature continued this year to be deaf to the pleas of New York City women lawyers and feminists in behalf of women's rights. The bill introduced by Senator Nathan Straus, Jr., amended the jury law to read "citizens" instead of "male" persons. It never had a chance of passage.

Another group of bills covering the "women's rights" campaign was doomed to non-existence. The bill of the National Woman's party, introduced by Senator Cottile, was a blanket bill of rights giving women the "same rights, privileges and immunities under the law as men." Senator Duggan introduced a similar bill, at the request of the Women's League for Equal Opportunities, which went one step farther than the Cottile bill, by eliminating the various laws for the protection of women in industry, specially the laws forbidding women to work at night.

Both these bills were opposed by the League of Women Voters and the organizations interested in preserving the women's industrial laws.

Tolbert Bills Fail
The feminists announced last night that they would continue their fight, and a meeting will be held on Monday at the home of Mrs. H. O. Havemeyer. Another group of bills designed to wipe out various small inequalities of women in the law, introduced by Senator Tolbert, also failed at passage. One of these provided that fathers and mothers should inherit equally in the property of a child who dies without making a will. Another provided that the court shall give the mother an equal chance with the father for the custody of a child when the parents are separated but not divorced.

Senator Straus introduced a bill providing that women and minors shall not work more than forty-eight hours a week and eight hours a day. The present law provides for a fifty-four-hour week and nine-hour day.

Senator Cottile introduced a bill creating a bureau for women in industry under the State Industrial Commission. A staff of six experts, including one physician, was provided, to conduct an investigation into the conditions of women and minors in industry.

Assemblyman William Lyman, Democrat, introduced a bill creating a State Board of Mothers' Welfare, providing \$100,000 for the support of women whose husbands are dead or unable to provide for them.

The Interborough Association of Women Teachers were interested in a bill amending salary for the last five years instead of the last ten. The bill of Mrs. Grace Strachan Forsythe interfered to some extent with this campaign, and the bill was not pushed with the energy which the women teachers have showed in other years.

On the whole, there was less attention paid to special legislation for women at this session than at any since the women won the vote. There was no woman member of the Legislature this year, Miss Margaret Smith, the Republican member from Manhattan, who held her seat for two years, having lost out in last fall's Democratic landslide.

Banton to Fight All Who Opposed the Katlin Bill

Will Take Stump Against Legislators Who Helped Shelve Blue Sky Measure at Albany

District Attorney Banton yesterday assailed in emphatic terms the legislators who shelved the Katlin bill providing for the licensing and state regulation of stock brokers. He also spoke sharply of the action of the stock exchanges in opposing the measure, asserting that if they did not assist in cleaning house "Congress would some day do it for us."

The fact that Tammany men opposed the bill did not cause Mr. Banton to discriminate. He announced that he would take the stump next election against all who joined in the move to recommit the bill.

"Wall Street must be regulated," said Mr. Banton. "I am going to preach that doctrine in season and out of season. I expect that some of the men who voted against the Katlin bill by burying it in committee will be missing from their seats in the Legislature next year. I am going to take the stump against them."

"I am not trying to destroy the stock exchanges. They do good work, but the spectacle of the exchanges being a law unto themselves and not subject to proper regulation must be stopped. New York's commercial supremacy must be preserved. The only way to preserve it is to clean house. If that is not done Congress will do it for us one of these days."

Overseas Parole Asked
William Lustgarten, convicted of defrauding investors in a tax lien company in this city and paroled after finishing his minimum sentence at Sing Sing, has asked the Parole Board, it was learned yesterday, to modify the terms of his release so that he may go to France to live. Decision has been reserved.

Lustgarten's offense was committed before the United States entered war. When an indictment was returned against him he was not to be found.

Undermyer to Probe Lobby on Housing Bills

(Continued from page one)

legislation that the companies did not want and advocating laws they favored. Under the broad powers of the Lockwood committee the books and records of the insurance companies, as well as their officials, can be examined by the committee, as it is admitted that the rates on fire insurance, casualty policies and other forms of insurance enter into the cost of building. And since the money spent in maintaining lobbies here would have to be borne by the policyholders the methods of the lobbyists would be a proper subject of investigation.

There was talk, also, of a probe of the defeat of the Katlin "blue sky" bill. This measure would have given the State Superintendent of Banks the same regulatory powers over brokers that he exercises over financial institutions. The bill would have put an end to the bucketshops and other dens of financial thieves.

This bill was killed yesterday in the Senate. Shortly before it was put to death a member of the Legislature telephoned to New York City, and within a few minutes after he emerged from the telephone booth all hope of enacting any sort of a "blue sky" bill vanished.

In the closing hours of the 1921 Legislature, after it was announced that the legislative leaders had agreed to appoint a legislative committee to investigate Wall Street, something equally mysterious happened, which prevented the threatened investigation.

The Katlin bill was amended last week by Mr. Undermyer. The measure was also strongly supported by the District Attorney of New York County, with the transaction.

Prudential Sells 10,951 Shares of Bank Stock

Julius S. Rippel Is Purchaser; Denial Made Lockwood Inquiry Caused Transaction

The largest sale of local securities ever handled in Newark was consummated yesterday when Julius S. Rippel, head of J. S. Rippel & Co., bankers and brokers, of 16 Clinton Street, bought from the Prudential Insurance Company, 10,950 shares of stock in the Fidelity Union Trust Company, and 451 shares of the Merchants' and Manufacturers' National Bank. This sale cleaned out the insurance company's bank holdings.

This action is regarded as a result of the Lockwood committee's investigation into housing conditions. At a hearing here the Prudential and other officers were severely criticized by Samuel Undermyer, counsel for the probe, for the relations between the Prudential and banks in which the company and its officers held stock.

The stock transfer also severed the last link between the Prudential, the Fidelity Union and the Public Service Corporation interests in what two years ago was known as a triple alliance of New Jersey financial interests.

The par value of the stock transferred is about \$2,500,000. Mr. Rippel acquired the stock outright for \$1,000,000. He now holds 37 per cent of the stock in the Fidelity Union, the strongest trust company in New Jersey. He also controls the National City Bank of Newark, is president of the Newark Trust Company and is interested also in the North Ward National Bank.

Edward D. Duffield, general solicitor and vice-president of the Prudential, said it has been the policy of the company to buy no more bank stock after what it holds. Mr. Rippel made a satisfactory offer and the company accepted it. He denied that the stock investigation had anything to do with the transaction.

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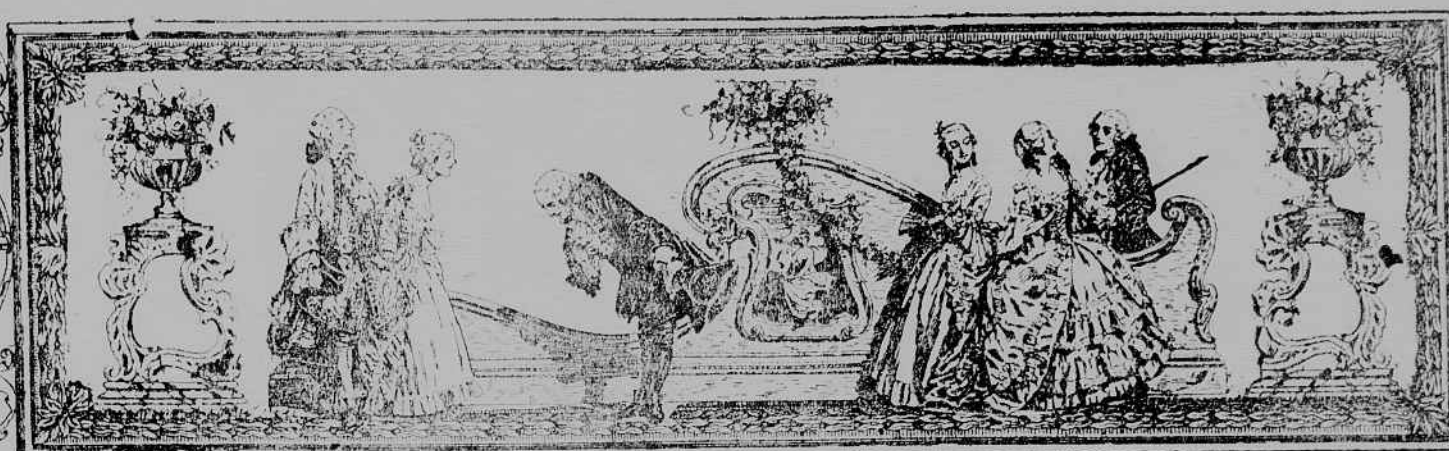
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In Black or Navy Blue with Squirrel Colored Silk Linings.

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